29th December 1953]

IV.—GOVERNMENT BILL.

THE MADRAS CO-OPERATIVE SOCIETIES (AMENDMENT) BILL, 1953 (L.A. BILL NO. 25 OF 1953) (AS PASSED BY THE ASSEMBLY).

* THE HON. DR. U. KRISHNA RAO :—" Mr. Chairman, Sir, I move—

'*That the Madras Co-operative Societies (Amendment) Bill,*[a] *1953 (L.A. Bill No. 25 of 1953), as passed by the Legislative Assembly, be taken into consideration.*'

Sir, as explained in the Statement of Objects and Reasons, according to rule XV (1-A) and (7-B) of the rules issued under the Madras Co-operative Societies Act, 1932 (Madras Act VI of 1932), the provisions of the Indian Limitation Act, 1908, apply to debts due to co-operative societies and also to the recovery of such debts in execution. Prior to the 1st April 1949, the law of limitation did not apply to debts due to co-operative societies in the Pudukkottai territory. But, consequent on the application of the Madras Co-operative Societies Act and the rules made thereunder to that territory from the 1st April 1949, the provisions of the Indian Limitation Act became applicable to debts due to co-operative societies in Pudukkottai also. As a result, over 500 loans advanced by co-operative societies in the Pudukkottai territory to the tune of Rs. 40,000 have become time-barred by limitation. To remove this bar and make the loans recoverable, the Act has to be suitably amended. This Bill carries out this object. It provides (1) for the recovery of the loans aforesaid by proceedings instituted in that behalf within a period of one year from the date on which the Bill comes into operation. (2) Orders, decisions and awards passed before that date may also be re-opened, if applications are made in that behalf within six months therefrom.

" Sir, this Bill has been the result of applications from many people in Pudukkottai that a chance may be given to the Co-operative Societies to make the debts recoverable. I think, this is a harmless and a very desirable enactment. I do hope that the House will give their unanimous cansent to the passing of the Bill."

MR. CHAIRMAN :—" Motion moved—

'That the Madras Co-operative Societies (Amendment) Bill, 1953 (L.A. Bill No. 25 of 1953), as passed by the Legislative Assembly, be taken into consideration.' "

SRI V. CHAKKARAI CHETTY :—" Sir, I am not able to understand why the Government want to circumvent the law as it stands. So far as the co-operative societies are concerned, I do not think they stand on a higher pedestal than ordinary individuals who have to go to courts of law. I do not think the co-operative societies should be exempted from this disability which applies to all other people." 11-30 a.m.

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[a] Printed as Appendix III on pages 80–81 infra.

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* DR. V. K. JOHN :—" Mr. Chairman, Sir, this is an illustration or an example of the inefficiency of the Government because this Bill ought to have been brought forward in 1949 and not now in 1953 so many years afterwards. But, I am very pleased that the Government have woke up at last. There was a change in the Congress Government in 1952 and this Government could have done this in 1952. Anyway, I am glad they are doing it at the end of 1953.

" Sir, I think the Government should have taken this opportunity to consider the question of the applicability of the Indian Limitation Act to claims by co-operative societies. The limitation of a claim by the Government against anybody is sixty years because the Government is a public body. Co-operative societies are quasi-public bodies and I do not agree with the previous speaker that the law of limitation should be strictly applied in regard to claims due to co-operative societies. Speaking for myself, I would not have the law of limitation apply to claims due to co-operative societies because the genius of our people is such that we pay off our debts without pleading limitation. The Law of Limitation was introduced into this country as a piece of law which was prevalent in Great Britain and we had no such law before that. Personally, I think the law of limitation should not be applied to co-operative societies and it was right that in Pudukkottai they did not apply it to claims due to co-operative societies.

" Anyhow, I am glad that the Government have brought this Bill and I support the principle underlying it. At the same time, I would suggest to them to consider the question of the applicability of the law relating to bar of limitation to claims made by co-operative societies against others as well as against their own members. I say this because the future of our country depends on the development of co-operative institutions. If we have to change the economic structure of society as it is to-day based on competition and exploitation, we have to depend more and more on co-operative societies. Co-operative societies are quasi-public bodies if not public bodies. If the period of limitation for a claim to be made by the Government is 60 years, I would put it that for co-operative societies it should be at least thirty years. It may be argued that the co-operative societies should be vigilant as if the Government need not be vigilant. Why is it that the Government have a period of sixty years within which to make a claim? It is because the Government are a public body and even if one is not vigilant the moneys due to that public body should not be lost. Similarly, debtors should not be allowed to apply the bar of limitation to defeat the claims of co-operative institutions. I therefore suggest that this question must be thoroughly examined and, if the Pudukkottai law is made applicable to Madras, I would be very pleased indeed. At any rate, I would suggest that the period of limitation should be longer and no co-operative society in the State should be told that its claims are barred by limitation on the expiry of three years. I once again ask the Government to reconsider this question.

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" Sir, only one word more and here also I find that this Bill, with due respect to the draughtsmen, is very badly drafted. Even for a trained lawyer it is very difficult to follow its provisions. The language ought to have been more simple and I do not want to take up the time of the House in pointing out how badly the Bill has been drafted. I would only ask the lawyer Members of this House to read this Bill and honestly say whether they have followed its sections. The Hon. the Minister in charge, not being a lawyer might be able to follow it and follow it wrongly too ! "

THE HON. SRI C. RAJAGOPALACHARI :—" Let us not fight over this. There is no question of jealousy."

* DR. V. K. JOHN :—" But, Sir, the point is that you have set down in the Order Paper that the final reading of the Bill will also be taken up to-day. When this House met last time we pointed out to you, Mr. Chairman, and emphasized that under rule 107 of the Rules of Procedure of this House you must give us three days' time after the introduction of a Bill in this House so that the Members might consider whether any amendment should be introduced. It may be said that this is not a very important Bill. Important or unimportant we must insist that the exception should not be made the rule and the relevant rule must be enforced. The rule is that when a Bill is introduced and its principles are to be discussed, three days' time should be given."

MR. CHAIRMAN :—" I invite the hon. Member's attention to rule 114 under which I can dispense with notice."

* DR. V. K. JOHN :—" Sir, rule 107 reads as follows :—

' Unless the Chairman otherwise directs, no such motion shall be set down in the list of business for any day which is less than three days from the receipt of the notice.'

Three days time must also be given for amendments to be brought in and that is the usual practice. I do not think, Sir, that even in this regard you must depart from the rule. The Council is sitting and the principles are being discussed and somebody may have an amendment to suggest. I myself am not moving any amendment because I know that any amendment moved in this House on a Bill which has come from the Assembly will never be accepted by the Congress Party and it would therefore be a waste of time to move any amendments here. Anyhow, I would suggest that the rules should be followed in every case and the exception should not be made the rule. I protest against the procedure adopted, namely, of getting through the first, second and third reading of the Bill finished in one minute. I think if this procedure is adopted in regard to every Bill this House will, become a post office and the proceedings a mere farce."

MR. CHAIRMAN :—" I have got discretion under rule 114 to waive notice."

* DR. V. K. JOHN :—" But rule 114 does not say that a Bill must be taken up and disposed of immediately. I am not saying

that the Chairman has got no discretion but I am only saying that this discretion should not be used to make the exception the rule every time. An urgent Bill may be brought in and the Chairman could say that he would use his discretion and lay down that the Bill be passed through every stage in one minute or in half an hour at one sitting but not in every case. This is what I am protesting against. We made out this point when the House met in April last and I would request you again, Sir, to adopt the normal procedure in the case of every Bill whether it originates in this House or it is passed on to us by the Assembly so that the Members may have the time to discuss the principles of the Bill and may bring in amendments.

* SRI K. BALASUBRAMANYA AYYAR :—" Mr. Chairman, Sir, may I make it clear why the Government have brought forward this Bill. When Pudukkottai became merged in this State, there was no provision by which the law of limitation was made applicable to co-operative societies there in regard to suits instituted by them or execution petitions filed by them in respect of moneys due to them. But, in our Madras Co-operative Societies Act, under rule 7-B of the rules issued thereunder, we have a provision that article 182 of the Limitation Act and section 48 of the Civil Procedure Code both apply to debts due to co-operative societies. My hon. Friend, Dr. V. K. John, forgets that there is no question of limitation applicable to suits and it is applicable only in regard to execution of decrees. If the co-operative society institutes a suit and gets a decree there is nothing which prevents it from executing that decree. This law of limitation applies only in so far as execution of decrees are concerned. Therefore, under rule
11-40 a.m. 7-B of the rules issued under the Madras Co-operative Societies Act, 1932, both section 48 of the Civil Procedure Code and section 182 of the Indian Limitation Act fixing the period of limitation are also applicable to all co-operative societies. Since Pudukkottai territory has become part of this State and since a declaration has been made by the Government that the Madras Co-operative Societies Act and the rules made thereunder will be applied to that territory also, all the co-operative societies there will come under the jurisdiction of the Registrar of Co-operative Societies in Madras. But unfortunately the law of limitation was not made to apply to debts due to co-operative societies in the Pudukkottai territory. As a result many decrees have become barred by limitation. To remove this difficulty this Bill has been brought before this House. This is only an enabling measure. We need not discuss now whether the provisions relating to limitation should at all be applied to co-operative societies or not. I feel the law of limitation is a law of justice and is part of the jurisprudence of any civilized society."

* THE HON. DR. U. KRISHNA RAO ;—" Mr. Chairman, Sir, I am indeed grateful to the hon. Gentleman Sri K. Balasubramanya Ayyar for having clarified the legal position and for having answered the hon. Members Sri V. Chakkarai Chetti and

Dr. V. K. John. I have only to refer to one or two matters, namely, that to me, as a lay man, as Dr. John put it, the language of the Bill is simple. I find no difficulty. It has been drafted by another lawyer and, perhaps, the hon. Gentleman Dr. John reads too much in between the lines. Anyway I shall convey his views to the other lawyer who has drafted it. As regards notice, I can only say that the hon. Gentleman Dr. John is not going to give any amendment because he has nothing to amend. The Bill is so perfect, so good, so just and reasonable and that is why he does not want to give any amendment. Anyway his observations will be taken into account by those concerned. I hope and trust that in view of what I said this Bill will be accepted unanimously.''

MR. CHAIRMAN :—'' The question is—

'That the Madras Co-operative Societies (Amendment) Bill, 1953 (L.A. Bill No. 25 of 1953), as passed by the Legislative Assembly be taken into consideration.' ''

The motion was carried.

Clauses 2 and 1 and the preamble were put and carried.

* THE HON. DR. U. KRISHNA RAO :—'' Sir, I beg to move—

'*That the Madras Co-operative Societies* (*Amendment*) *Bill*, 1953 (*L.A. Bill No.* 25 *of* 1953), *as passed by the Legislative Assembly, be read a third time and passed*.' ''

SRI M. P. GOVINDA MENON :—'' Mr. Chairman, Sir, I heartily support the Bill. All co-operative societies must be helped because they stand for the community at large. I wish to bring to the notice of the Hon. Minister for Co-operation that some co-operative societies are doing more harm to the society than good, and in this connection I want to bring to the notice of the Hon. Minister the example of a particular society at Varod near Ottappalam. I understand that some of the people in charge of that society are trying to collect money through forged notes. I request the Hon. Minister who has a soft heart for all co-operative societies to see that these societies are not worked as engines of oppression.''

SRI V. CHAKKARAI CHETTY :—'' My hon. Friend has brought a very serious charge against the functioning of co-operative societies. I hope the Hon. Minister in charge of Co-operation will take note of it, enquire into the matter and find out whether co-operative societies are used as engines of oppression.''

* THE HON. SRI C. RAJAGOPALACHARI :—'' The particular shape that the charge took is that suits are filed on forged notes. It is difficult for the Registrar of Co-operative Societies to deal with the merits of such a charge. The Courts will take care of such a charge.''

MR. CHAIRMAN :—" Motion moved—

'That the Madras Co-operative Societies (Amendment) Bill, 1953 (L.A. Bill No. 25 of 1953), as passed by the Legislative Assembly, be read a third time and passed.' "

The motion was carried and the Bill was read a third time and passed.

V.—GOVERNMENT RESOLUTION.

AMENDMENTS TO NOTIFICATIONS UNDER SECTION 8 OF THE COTTON TRANSPORT ACT, 1923 (CENTRAL ACT III OF 1923).

THE HON. SRI M. BHAKTAVATSALAM :—" I beg to move—

'*This Council recommends to the State Government that the following notifications submitted to it for approval under section* 8 *of the Cotton Transport Act,* 1923 (*Central Act III of* 1923), *be issued in the form submitted* :—

NOTIFICATION I.

In exercise of the powers conferred by section 3 *of the Cotton Transport Act,* 1923 (*Central Act III of* 1923), *the Governor of Madras hereby makes the following amendments to Development Department Notification No.* 278, *dated the* 19*th September* 1928, *published at pages* 1455–1461 *of Part I of the* Fort St. George Gazette, *dated* 25*th September* 1928, *as subsequently amended* :—

AMENDMENTS.

In the said notification—

(i) *in clause* (3), *the words " into the Northerns and Westerns area and " shall be omitted;*

(ii) *in Schedule I*—

(*a*) *clause* (1) *shall be omitted*;

(*b*) *clauses* (2) *and* (3) *shall be renumbered as clauses* (1) *and* (2) *respectively*;

(*c*) *in clause* (1) *as so renumbered, the word " Chittoor " shall be omitted*;

(iii) *in Schedule II*—

(*a*) *clause* (1) *shall be omitted*;

(*b*) *clauses* (2) *and* (3) *shall be renumbered as clauses* (1) *and* (2) *respectively*;